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UNCLAS BERLIN 000836

STATE FOR INR/R/MR, EUR/PAPD, EUR/PPA, EUR/AGS, INR/EUC, INR/P,  
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E.O. 12958: N/A

TAGS: [OPRC](#) [KMDR](#) [KPAO](#) [GM](#)

SUBJECT: MEDIA REACTION: Mideast, Zimbabwe, Pakistan, U.S.-Germany, Serbia, Economic

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#### [¶1.](#) Lead Stories Summary

ZDF-TV's early evening newscast heute and ARD-TV's early evening newscast Tagesschau opened with stories on the European soccer semifinals. Newspapers led with diverse stories. Editorials focused on the SPD and Zimbabwe.

#### [¶2.](#) (Mideast) Berlin Conference, Israeli Government Crisis

Sddeutsche comments: "While representatives from 40 countries are making efforts to cheer up Palestinians by pouring money onto them, Israeli Prime Minister Olmert and his coalition partner, Barak, are fighting for their political survival. The parallel developments speak volumes concerning the prospects of the Mideast peace process. Great things cannot be expected at the moment because Olmert's government is too weak. New elections would neither create peace because the likely election winner is Netanyahu, who is not prepared to make compromises with the Palestinians. At the last minute, Olmert and Barak realized that their nerve-racking fight would lead them to a political nowhere and stopped their coalition crisis for the time being. This did not win them anything but time. The best thing that can happen until the elections in 2009 or 2010 were pragmatic moves to create peace, such as the truce Egypt negotiated with the Palestinian Hamas. Although the agreement has been fragile, it forces both sides to a minimum of rapprochement and reconciliation. In this sense, the results of the Berlin conference are progressive. If Europeans help the Palestinian police to create security, this helps ease Israel's grip on the occupied West Bank." Die Zeit writes: "This is new: There is a Mideast conference and everybody claims to have had the idea.... It is not a coincidence that the conference took place in Berlin. In Europe, only the Germans are trusted by Israelis and Palestinians. Now they want to use this confidence."

#### 13. (Zimbabwe) Run-Off Elections

Sueddeutsche Zeitung editorializes that the crisis in Zimbabwe "primarily reveals one thing: dictators who are as tough and as brutal as Mugabe continue to triumph." The paper adds: Mugabe's success reveals how helpless the international community and the Zimbabweans are. They find no way to put rulers like Mugabe out of action." The paper concludes that opposition leader Tsvangirai's step to withdraw from the election campaign "is an important signal that the world needs to accept to unmask Mugabe for what he is: a criminal who should not lead, but who should be put on trial before a criminal court."

According to Die Welt, "Mugabe has left the stage when clearly targeted sanctions could have had an effect. But the African states could exert pressure on Mugabe, because he is dependent on South African assistance. A first step could be to force him to accept humanitarian assistance again...and the international community could force South Africa's President Mbeki to take action by threatening consequences for the upcoming world soccer championship in South Africa. The Tibet/China case revealed that, in view of such prestigious projects, it is possible to influence events." Handelsblatt opines that "thanks to South Africa's President Mbeki, Mugabe's ZANU party still controls the security forces, the media, and the state resources. But the longer the regional SADC now hesitates to take action, the faster Mugabe will be able to regroup his forces. That is why SADC should no longer adopt tiresome resolutions but must totally isolate the dictator in Africa."

#### 14. (Pakistan) Infiltration From Afghan Border Region

Frankfurter Allgemeine comments: "We should not dramatize the situation in Pakistan, but nobody can claim that it is looking particularly good. The new government, which intended to create peace with groups in tribal areas, was unable to prove that this strategy is successful. Almost every problem in this region can be traced back to Pakistan. The harassed Afghan President Karzai therefore recently threatened the neighbor to take military action if Pakistan does not create law and order in the border region. Many people have been wondering whether Pakistan is unable or unwilling to get the critical region under control. Both assumptions are probably true. However, if Islamabad is indeed increasingly losing control over the region, it is turning into a problem for all of us because supplies for the international troops in Afghanistan come from Pakistan and the country is a nuclear power."

#### 15. (U.S.-Germany) U.S. Nuclear Weapons In Germany

Mittelbayerische Zeitung of Regensburg argues that "the nuclear vestiges are a security problem, as well as a strategic and tactical problem. The fact that the report [on the security risks] was deliberately leaked to Germany shows the unease among our big partner, too. In addition, the contenders for the U.S. presidential office say that they want to get the nuclear bombs and the missiles back. But it would even be better if they were scrapped at the same time."

#### 16. (Serbia) New Government

Berliner Zeitung notes that the European Commission in Brussels "must now make the coalition in Belgrade understand that it does not fit together to show a European-friendly face and, at the same time, block and condemn an EU engagement in Kosovo as a hostile act. The transition from the UN administration to an EU mission in Kosovo should now be possible - without the UN Security Council." The daily, however, criticizes that former dictator Milosevic's foster child, socialist leader Ivica Dacic, "one of the most unpredictable and nimblest politician in the Balkans, will take over the Interior Ministry of all ministries." The daily argues that he has to deal with the restructuring of the security forces and the search for war criminals Karadzic, Mladic, and Hzadic. The paper concludes: "Thus far people assumed that socialist old boy networks have offered cover for the three and would get them out of danger. But if Dacic's administration confirms this suspicion, the relief in the EU should soon be over."

#### 17. (U.S.) Interest Rates

Handelsblatt opines that "Ben Bernanke is a milquetoast. He clearly knows that he should send a more obvious signal for an increase in interest rates to contain expectations of rising inflation. But we don't hear anything about this in his remarks." The daily writes that, nevertheless, the markets have understood his most recent message. "For the time being, nothing will happen, i.e., no increase in interest rates. But with this move, the Federal Reserve is again forfeiting part of its reputation. Only recently Bernanke indicated that he could soon pursue a tougher course.... But it was soon evident that he would not match his words with deeds. And if this impression is accurate, the stock markets will love him, but the rest of the world would raise even more accusations against him."

TIMKEN